



# ENERGY ASSURANCE DAILY

Thursday Evening, May 20, 2010

## ***Major Developments***

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### **Update: BP Collecting 3,000-5,000 b/d of Leaking Oil from Blown-Out Well in Gulf of Mexico May 20**

BP is siphoning between 3,000 and 5,000 b/d of leaking oil from the blown-out MC252 well in the Gulf of Mexico to a ship above water, according to separate company statements. The company said in a May 20 press release that it was collecting about 3,000 b/d of oil and 14 MMcf/d of natural gas, but a spokesman said separately that the company was actually collecting 5,000 b/d of oil. Though the visible leak had “noticeably declined,” leaking continued at an unspecified rate, according to the spokesman. The news of continued leakage came despite the fact that the 5,000 b/d figure – the amount the BP spokesman said the company was collecting – was equivalent to the government’s estimate of the total amount leaking from the well. Scientists, in fact, continued to question the reported size of the leak. The leak, an engineering professor told Congress, was actually about 95,000 b/d. Separately, BP said it expected to deploy its “top kill” plan in the next few days. The plan would involve injecting drilling fluids into the well, and then cement to seal it.

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7062283>

<http://www.mcclatchydc.com/2010/05/19/94489/gulf-oil-spill-may-be-19-times.html>

DJN, 12:41 May 20, 2010

### **Update: EPA Directs BP to Identify and Use Less Toxic, More Effective Dispersant**

The U.S. Environmental Protection Agency (EPA) ordered BP to identify and use a less toxic and more effective dispersant from the list of EPA authorized dispersants, the EPA said on May 20. The directive requires BP to identify the alternative within 24 hours, and begin using it within 72 hours after that. The dispersant BP had been using was on the EPA’s approved list. The EPA, however, said BP was using it in unprecedented quantities and in a way that had never been attempted.

<http://yosemite.epa.gov/opa/admpress.nsf/d0cf6618525a9efb85257359003fb69d/0897f55bc6d9a3ba852577290067f67f!OpenDocument>

### **Update: Small Part of Oil Slick Reaches Loop Current, but Oil Could Get Captured in Eddy and Fail to Reach Florida Straits: NOAA**

[http://www.rigzone.com/news/article.asp?a\\_id=93545](http://www.rigzone.com/news/article.asp?a_id=93545)

### **Heavy Oil Entering Louisiana Wetlands: Governor**

<http://www.nytimes.com/2010/05/20/us/20spill.html?ref=todayspaper>

### **Update: BP Rebuts Allegations that it Operated Atlantis Platform in Gulf of Mexico with Incomplete and Inaccurate Engineering Documents**

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7062224>

### **Storms Knock Out Power to more than 150,000 Customers in Pacific Northwest and British Columbia, Canada May 19**

Storms cut electricity to almost 100,000 BC Hydro customers in British Columbia, Canada, more than 37,500 Pacific Power customers in Oregon, more than 8,000 Portland General Electric (PGE) customers in Oregon, and 11,600 Puget Sound Energy (PSE) customers in Washington. Some 13,476 BC Hydro customers remained without power, as of latest reports.

<http://www.bchydro.com/outages/orsTableView.jsp>

[http://www.portlandgeneral.com/safety\\_outages/outages\\_outage\\_updates/outage\\_list.aspx](http://www.portlandgeneral.com/safety_outages/outages_outage_updates/outage_list.aspx)

[http://www.ctvbc.ctv.ca/servlet/an/local/CTVNews/20100519/bc\\_spring\\_storm\\_100519/20100519?hub=BritishColumbia](http://www.ctvbc.ctv.ca/servlet/an/local/CTVNews/20100519/bc_spring_storm_100519/20100519?hub=BritishColumbia)

[http://www.ctvbc.ctv.ca/servlet/an/local/CTVNews/20100520/bc\\_storm\\_100520/20100520?hub=BritishColumbia](http://www.ctvbc.ctv.ca/servlet/an/local/CTVNews/20100520/bc_storm_100520/20100520?hub=BritishColumbia)

[http://www.oregonlive.com/portland/index.ssf/2010/05/thousands\\_without\\_power\\_in\\_por.html](http://www.oregonlive.com/portland/index.ssf/2010/05/thousands_without_power_in_por.html)

<http://www.nwcn.com/news/May-storm-brings-strong-winds-thunderstorms-to-Northwest-94446759.html>

<http://www.cknw.com/Channels/Reg/NewsLocal/Story.aspx?ID=1231840>

### **Luminant to Restart 793 MW Martin Lake Coal-Fired Unit 2 in Texas May 20-21**

Luminant expected to restart the unit from May 20-21 "following boiler tube leak repairs," it said in a filing with state regulators. The company shut the unit by May 19, according to an earlier filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=139914>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=139912>

### **Update: Constellation's 825 MW Calvert Cliffs Nuke Unit 1 in Maryland at Full Power by May 20**

The unit shut on May 12 due to "a complete load rejection," the company said in a previous filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of May 19 the unit was operating at 15 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100513en.html>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

### **Update: FirstEnergy's 1,235 MW Perry Nuke Unit 1 in Ohio Ramped Up to 70 Percent by May 20**

Operators shut the unit on May 11 due to the "loss of control rod drive charging water header pumps," the company said in a previous filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of May 19 the unit was operating at 17 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100513en.html>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

### **Update: Dominion's 1,130 MW Millstone Nuke Unit 3 in Connecticut Ramped Up to 70 Percent by May 20**

The unit shut automatically on May 17 "due to low steam generator water level," the company said in a previous filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of May 19 the unit was operating at 30 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100518en.html>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

### **Entergy's 813 MW FitzPatrick Nuke Unit in New York Reduced to 82 Percent by May 20**

The Nuclear Regulatory Commission reported that on the morning of May 19 the unit was operating at full power.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

### **Update: PPL's 1,105 MW Susquehanna Nuke Unit 1 in Pennsylvania Ramped Up to 94 Percent by May 20**

Operators shut the unit on May 14 during "required tests on a new integrated digital control system for plant equipment and on pumps that provide water to the reactor vessel," a plant manager said earlier. The Nuclear Regulatory Commission reported that on the morning of May 19 the unit was operating at 62 percent.

<http://www.pplweb.com/newsroom/newsroom+quick+links/news+releases/Unit+1+at+Susquehanna+nuclear+plant+returns+to+service+051710.htm>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

### **Citing Freon Leak, Exelon Declares Unusual Event at 1,824 MW Quad Cities Nuclear Power Plant in Illinois May 19**

Exelon declared an unusual event due to a "potentially toxic atmosphere in an access facility" at its 1,824 MW Quad Cities nuclear power plant in Illinois on May 19, the company said in a filing with the Nuclear Regulatory Commission (NRC). The incident occurred after workers "reported a Freon leak from a valve packing failure" as they performed "repairs to an air conditioning system inside the Access Facility," according to the filing. All personnel were evacuated, radiation protection workers entered, and atmospheric sampling began. Samples showed a potentially toxic atmosphere in certain portions of the Access Facility, prompting the company to declare an Unusual Event. A "habitable atmosphere" was re-established within just over one hour, and the company ended the Unusual Event. The incident did not affect either of the facility's units.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100520en.html>

### **Update: TransCanada Concludes Successful Open Season for Planned 500-kV, 1,000-Mile, Wyoming-to-U.S. Southwest Zephyr Power Transmission Project**

The line would deliver power from renewable-based producers in Wyoming to markets in the U.S. southwest.

TransCanada Corporation signed precedent agreements with three developers – Pathfinder Renewable Wind Energy LLC, Horizon Wind Energy LLC, and BP Wind Energy NA Inc. - for 3,000 MW of the line's capacity, the company said on May 20. Should it proceed, the company expects to complete the project in late 2015 or early 2016.

[http://www.transcanada.com/news/2010\\_news/20100520.html](http://www.transcanada.com/news/2010_news/20100520.html)

### **Update: BP Wind Energy to Break Ground in Summer 2010 on 250 MW Cedar Creek II Wind Farm in Colorado**

The company did not say when the facility would enter service.

<http://denver.bizjournals.com/denver/stories/2010/05/17/daily42.html?ana=yfcpc>

## ***Petroleum***

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### **Update: LyondellBasell Restarting CDU at 270,600 b/d Houston, Texas Refinery May 19**

LyondellBasell began restarting the crude distillation unit (CDU) on May 19, a company official said. The unit had been offline for unscheduled work. The refinery's other CDU, however, remained shut; a fire forced shut that unit on May 17.

<http://www.reuters.com/article/idUSN1923971120100519?type=marketsNews>

### **Update: Hydrocracker Offline at BP's 265,000 b/d Carson, California Refinery May 18**

A hydrocracker went offline at BP's 265,000 b/d Carson, California refinery on May 18, according to sources familiar with the facility's operations. The company said in a regulatory filing that a unit shutdown had triggered flaring; the filing, however, did not say which unit was affected.

Reuters, 19:18 May 19, 2010

### **Federal Regulators Concerned over Corrosion along BP's Endicott Oil Pipeline Offshore Alaska**

After a June 2009 visit, a federal inspector voiced concern that BP was not investigating the corrosive impact that oil might have along its Endicott pipeline, or adequately protecting the pipeline from corrosion. The inspector, from the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PSHMA), also said the company was not effectively monitoring possible weather-induced damage along the line. The line links an offshore oilfield to the trans-Alaska oil pipeline.

<http://www.alaskadispatch.com/dispatches/energy/5396-inspectors-say-bps-alaska-pipeline-needs-attention->

## **Occidental Petroleum to Boost U.S. O&G Production 6 to 11 Percent per Year through 2014**

The company plans to boost its U.S. oil and gas (O&G) production to between 512,000 and 632,000 barrels of oil equivalent per day (boe/d) in 2014, or at least 6 to 11 percent per year over the next five years. It expects to increase its international production from about 365,000 boe/d in 2010 to between 453,000 and 486,000 boe/d in 2014.

Included in its U.S. plans:

- It expects to increase its total California production from 151,000 boe/d in 2010 to between 212,000 and 300,000 boe/d in 2014
- It plans to boost its Permian Basin production from 180,000 boe/d in 2010 to between 220,000 and 230,000 boe/d in 2014
- It expects to increase its Midcontinent production from 60,000 boe/d in 2010 to about 80,000 to 100,000 boe/d in 2014.

[http://newsroom.oxy.com/portal/site/oxy/?ndmViewId=news\\_view&newsId=20100519005367&newsLang=en](http://newsroom.oxy.com/portal/site/oxy/?ndmViewId=news_view&newsId=20100519005367&newsLang=en)

## **Indonesia Aims to Produce 2 Million b/d of Oil in 2015**

Indonesia could increase its oil production to 2 million b/d in 2015, according to regulator BP Migas. The nation failed to reach its target of 960,000 b/d in 2009.

[http://www.rigzone.com/news/article.asp?a\\_id=93559](http://www.rigzone.com/news/article.asp?a_id=93559)

## **Chevron Eyes Approximately 240,000 b/d Expansion at Tengiz Oilfield in Kazakhstan**

Chevron might decide next year whether it will pursue the planned expansion, a company official said on May 20. He said the company could boost Tengiz's production to 800,000 b/d by 2016.

[http://online.wsj.com/article/BT-CO-20100520-705748.html?mod=WSJ\\_latestheadlines](http://online.wsj.com/article/BT-CO-20100520-705748.html?mod=WSJ_latestheadlines)

## **Cairn Energy to Boost Production by 65,000 b/d at Existing 60,000 b/d Rajasthan Oilfield in India**

The company recently completed a pipeline linking Rajasthan to Salaya in Gujarat, India. It expects to boost Rajasthan's production to 125,000 b/d during the second half of 2010, from about 60,000 b/d at present.

<http://www.cairnenergy.com/NewsDetail.aspx?id=1154>

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## **Natural Gas**

### **Occidental Petroleum Plans at Least 290 MMcf/d of New Natural Gas Processing Capacity in California**

The company plans to open a 90 MMcf/d natural gas processing plant by the end of this quarter, and a separate 200 MMcf/d facility in 20 to 24 months. It expects to order construction of another natural gas plant by the end of 2010.

[http://newsroom.oxy.com/portal/site/oxy/?ndmViewId=news\\_view&newsId=20100519005367&newsLang=en](http://newsroom.oxy.com/portal/site/oxy/?ndmViewId=news_view&newsId=20100519005367&newsLang=en)

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## **Other News**

Nothing to report.

## Energy Prices

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U.S. Oil and Gas Prices May 20, 2010			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	68.01	75.57	60.83
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	4.29	4.18	3.99

Source: <http://www.bloomberg.com/markets/commodities/energyprices.html>

## Energy Notes

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**Citing Costs, Other Factors, Grays Harbor PUD Drops Plans for 60-80 MW Wind Farm on Radar Ridge, Washington – Energy Northwest, Three PUDs Could Still Pursue Project**

<http://www.kitsapsun.com/news/2010/may/19/grays-harbor-pud-wont-move-forward-with-wind/>

**FEMA, NRC, and Others to Oversee Emergency Exercise at Southern's 2,320 MW Vogtle Nuclear Power Plant in Georgia**

<http://chronicle.augusta.com/latest-news/2010-05-18/plant-vogtle-drill-set-today?v=1274223427>

**Entergy Reports “Unanticipated Action” During Emergency Core Cooling Systems Test at 563 MW Vermont Yankee Nuclear Power Plant May 13 – No Impact to Safety, Company Says**

[http://www.reformer.com/localnews/ci\\_15114447](http://www.reformer.com/localnews/ci_15114447)

**Dominion Looks for Partner to Help Develop New Unit at Existing North Anna Nuclear Power Plant in Virginia**

[http://www2.timesdispatch.com/rtd/business/energy/article/B-DOMI19\\_20100518-215603/345341/](http://www2.timesdispatch.com/rtd/business/energy/article/B-DOMI19_20100518-215603/345341/)

**After Analyzing 25 Tracts Offshore Virginia, Department of Defense Says 18 Could Hold Wind Turbines without Interference to Military**

<http://www.businessweek.com/ap/financialnews/D9FQKT7O0.htm>

**Extending Treasury Grant Program by Two Years and Including Solar Manufacturing in the Industry's Existing Tax Credit Would Lead to 10 GW of New Solar Installations by 2016: Solar Energy Industries Association**

<http://www.prnewswire.com/news-releases/new-study-solar-industry-poised-to-create-200000-jobs-with-key-tax-policies-94273584.html>

**More than 850 U.S. Utilities Offer Green Power Programs: DOE's NREL**

<http://www.nrel.gov/news/press/2010/838.html>

**Ice Energy to Expand Energy Storage Manufacturing Capacity in New York – Company Aims to Deliver 100s of MW of Energy Storage**

<http://www.prnewswire.com/news-releases/ice-energy-expands-east-coast-manufacturing-capacity-with-mercury-corporation-agreement-94441874.html>

**Officials Plan New Wharf for Panamax-Sized Oil Tankers at Port of Tampa, Florida**

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=22702](http://www.downstreamtoday.com/news/article.aspx?a_id=22702)

**Chinese Oil Demand Rises to about 8.43 Million b/d in April 2010, or 12.7 Percent Higher than April 2009: Platts**

<http://www.prnewswire.com/news-releases/platts-report-chinese-oil-demand-in-april-climbs-127-from-year-ago-to-84-million-barrels-per-day-94453084.html>

**Alberta Oilsands Inc. Says Clearwater Project Area in Alberta, Canada Contains Gross Lease Probable Plus Possible Reserves of 67.6 Million Barrels of Bitumen**

<http://www.digitaljournal.com/pr/39104>

**Update: KOC, ABB Plan 2012 Start Date for Proposed 315,000 b/d, 30-Inch Oil Pipeline in Kuwait**

<http://www.kockw.com/pages/Media%20Center/What%27s%20New/NewsDetails.aspx?ID=81>

**Maryland Governor Signs Bills to Give Customers Incentives to Purchased Plug-in Electric Vehicles May 20**

<http://www.prnewswire.com/news-releases/maryland-governor-signs-two-bills-intended-to-quicken-consumer-acceptance-of-electric-vehicles-94456819.html>

## **Links**

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***This Week in Petroleum*** from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

***Weekly Petroleum Status Report*** from EIA

[http://www.eia.doe.gov/oil\\_gas/petroleum/data\\_publications/weekly\\_petroleum\\_status\\_report/wpsr.html](http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html)

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

***Natural Gas Weekly Update*** from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

### **ENERGY ASSURANCE DAILY**

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<http://www.oe.netl.doe.gov/ead.aspx>

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